Appendix E: Evaluation Guidelines

The following guidelines are intended to inform participating sponsors, potential applicants, and other interested parties as to the types of considerations made by the DOT in evaluating TIFIA applications in accordance with the statutory selection criteria. These guidelines are not exhaustive, but are indicative of the factors the DOT assesses in the evaluation and selection process. Note that the applicant is encouraged to provide relevant data (both quantitative and qualitative) to support its assertions and justify the benefits to be derived from TIFIA assistance. The DOT may revise these guidelines from time to time, and will make them public to inform future applicants about the TIFIA evaluation and selection process.

Selection Criterion	Evaluation Considerations
1. Significance – 20 percent **The extent to which the project is nationally or regionally significant, in terms of generating economic benefits, supporting international commerce, or otherwise enhancing the national transportation system.**	• What are the project's economic benefits (e.g., job creation, tax revenues, quality of life, etc.)? Do these benefits extend beyond the project's immediate geographic region? • Will the project support international commerce? Will failure to carry out the project hinder or continue to thwart international competitiveness? • Is the project a component of a federally recognized transportation system (e.g., the National Highway System)? If not, will it connect to such system? • Does the project help achieve safety, mobility or transportation demand goals? Does the project improve connections among the transportation modes? • What is the level of community support for the project?
2. Private Participation – 20 percent **The extent to which TIFIA assistance would foster innovative public-private partnerships and attract private debt or equity investment.**	• How extensive is the private equity, if any, compared to total project costs? • How extensive is the combined debt and equity investment from private capital compared to total project costs? • How extensively does project debt repayment depend on user fees? • Has the project team been structured (e.g., via a non-profit corporation or a public-private partnership) to allow a non-governmental entity to share its risks and rewards?
3. Environment – 20 percent **The extent to which the project helps maintain or protect the environment.**	• Does the project protect the environment via reductions in pollution (e.g., air, water, noise, etc.) that would not otherwise occur without the project? • Does the project require major environmental mitigation efforts? Will the project sponsor engage in mitigation efforts beyond those required by law?
4. Project Acceleration – 12.5 percent **The likelihood that TIFIA assistance would enable the project to proceed at an earlier date than the project would otherwise be able to proceed.**	• To what extent does TIFIA assistance accelerate project implementation? If the project needed to obtain a substitute funding source, to what extent would its schedule be delayed? • Can the effect of project acceleration be quantified (e.g., reduced costs or increased benefits)? • Without TIFIA assistance, would the scope of the project need to be reduced in order for the project to meet its development timeline?

5. Creditworthiness – 12.5 percent **The creditworthiness of the project, including a determination by the Secretary that any financing for the project has appropriate security features, such as a rate covenant, to ensure repayment.**	• Has the project obtained an investment-grade rating on the senior debt obligations funding the project? • How convincing are the preliminary opinion letters from rating agencies indicating that the overall project and senior debt obligations have the potential to be investment grade? Do the opinion letters contain significant qualifying language? • What is the project's market position? If its revenue plan depends on fees for specified services, are these services in high demand? How extensive is the competition? • What is the likelihood that the project will repay TIFIA assistance and other debt obligations in accordance with requested financing terms? • Does the project have a history of user fee-based repayments for other obligations? • How favorable is the economic outlook for related commerce and trade? • How qualified is the project team? Is the team experienced and knowledgeable in transportation finance and development? What is the team's track record in carrying out projects of this magnitude? • Does the project team possess the necessary financial, staffing, and technical resources to successfully complete the project? • Is the proposed schedule for the project reasonable, given the scope and complexity of the project? • Does the project include cost containment and risk mitigation measures (e.g., design-build, maximum price contract, guaranteed completion date, developer incentives, project warranties, rate covenants, etc.)? • How well substantiated is the financial plan and its revenue and cost assumptions? Are the assumptions on which the plan is based well defined and reasonable?
6. Use of Technology – 5 percent **The extent to which the project uses new technologies, including intelligent transportation systems, to enhance the efficiency of the project.**	• Does the project principally involve the installation of an intelligent transportation system (ITS)? • How extensively does the project use ITS components (e.g., electronic toll collection, automatic vehicle identification, etc.)? • How extensively does the project deploy other innovative technologies (e.g., farecard systems, signal prioritization systems, train control systems, weigh-in-motion, and emission control technologies)?
7. Budget Authority – 5 percent **The amount of budget authority required to fund the TIFIA credit instrument.**	• What is the relative difference in required budget authority between this project and other projects? • What is the project's deviation from the average budget authority consumed by other projects?
8. Reduced Federal Grant Assistance – 5 percent **The extent to which TIFIA assistance would reduce the contribution of federal grant assistance.**	• Without TIFIA assistance, what is the likelihood that the project would obtain federal (including non-DOT) grants as substitutes? • Does the project meet program eligibility requirements and have political support necessary to obtain additional state- and/or locally programmed federal funds to substitute for TIFIA assistance? • Can the project sponsor demonstrate that TIFIA credit assistance will free up otherwise-expected grant monies for other investments?